

## **Home Program – Rental Development Alaska Housing Finance Corporation – Program 6**

### **I. PROGRAM OBJECTIVES**

This program awards grants or loans for the acquisition, development or rehabilitation of rental and owner occupied housing for lower income individuals or families.

### **II. PROGRAM PROCEDURES**

Under the program, grants and loans are made to individuals, for profit entities, municipalities, or public or private 501(c)(3) or (4) nonprofit corporations.

### **III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES Federal requirements are guided by CFDA Number 14.239.**

#### **A. TYPES OF SERVICES ALLOWED OR UNALLOWED**

##### Compliance Requirement

Grants and loans made under this program are for the development or acquisition of rental **or homeowner** housing, acquisition assistance for homebuyers, [or] rehabilitation of owner occupied housing, **or operating expense assistance for Community Housing Development**

**Organizations.** Development includes:

- Purchase of suitable building sites;
- Necessary site preparation;
- Preparation of plans and specifications;
- Financing the purchase of materials and actual construction;
- Financing the acquisition, rehabilitation, improvement, or conversion of existing structures;
- Financing development costs and fees, including an acceptable developer fee.

15 AAC 154.100 - 154.110

##### Suggested Audit Procedures

- Test financial and related records to determine the purposes for which the funds were expended.

#### Compliance Requirement

All interest earned on grant money must be returned to Alaska Housing Finance Corporation (AHFC) upon completion of the project. 15 AAC 154.040 (6)

#### Suggested Audit Procedure

- Review financial and related records, and if appropriate, any previous audit reports, to determine interest accrued on grant funds to date and verify that all interest earned on grant funds have been paid back to AHFC.

#### B. ELIGIBILITY

The auditor is not expected to verify eligibility.

#### C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

##### Compliance Requirement

AHFC funds are provided as a match to the U.S. Department of Housing and Urban Development HOME grant passed through AHFC. Grant recipients typically include other sources of funds when applying for the grants. The grant agreement budgets will typically include the amounts and sources of other funds.

##### Suggested Audit Procedures

- Review the grant agreement to identify any other sources of funds to be committed to the project;
- Review financial and project records to determine the source of funds; and
- Verify the amount of other funds applied to the project are in accordance with the budgets.

#### D. REPORTING REQUIREMENTS

##### Compliance Requirement

The grant agreements are to include a provision for regular, periodic reporting on grant sponsored activities. 15 AAC 154.040

##### Suggested Audit Procedures

- Review the grant agreement and determine the reporting requirements;
- Examine copies of reports and determine completeness and timeliness of submission in accordance with the grant agreement; and
- Trace data in selected reports to underlying documentation.

E. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

The grant agreement, **including any attachments, exhibits or amendments**, will identify any special compliance requirements[, as outlined in the attachments;] **to which** the grantee is to adhere to.

Suggested Audit Procedures

- Review the grant agreement, identify any special compliance provisions; and
- Verify that requirements were met.

Modified 5/02